

2007 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB40)

Received: **07/03/2007**

Received By: **gmalaise**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau 6-3847**

By/Representing: **Pope**

This file may be shown to any legislator: **NO**

Drafter: **gmalaise**

May Contact:

Addl. Drafters:

Subject: **Higher Education - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

LFB:.....Pope -

Topic:

Minnesota-Wisconsin tuition reciprocity

Instructions:

See Attached--b0484/1 originally drafted for DOA

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	gmalaise 07/03/2007	kfollett 07/03/2007		_____			
/1			nnatzke 07/03/2007	_____	lparisi 07/03/2007		

FE Sent For:

<END>

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/?	gmalaise	1/15/07 7/3	nwn 7/3	nwn 7/3			

FE Sent For:

<END>

Malaise, Gordon

From: Binau, RJ - DOA
Sent: Tuesday, June 12, 2007 2:55 PM
To: Malaise, Gordon
Subject: Minnesota- Wisconsin Reciprocity - Follow-up

Gordon:

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As we discussed the reciprocity agreement between Wisconsin and Minnesota is premised on the theory that the state using the agreement more should pay the other state the difference between the cost of providing the education (as mutually agreed to by both states) and the tuition charged to the students (tuition rarely covers the full cost of instruction, that is why there is a state GPR subsidy). Graphically it looks like this:

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I hope this helps explain things, let me know if I can provide you additional information.

RJ

07/03/2007

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From: Malaise, Gordon
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To: Binau, RJ - DOA
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Sent: Friday, June 15, 2007 5:31 PM
To: Binau, RJ - DOA
Subject: RE: Minnesota- Wisconsin Reciprocity - Follow-up

RJ:

Sorry for not getting back to you sooner, but we have been swamped putting together the JCF sub.

I share your concerns about s. 39.47 (3) referring to states receiving payments, specifically the 3rd sentence which reads, "The *state* with the smaller reimbursement obligation *shall receive* from the other state an amount determined by subtracting the reimbursement obligation of the *state receiving the payment* from the reimbursement obligation of the state making the payment." This language makes it sound like the payments are made to the states and not to the higher education systems of the states. Moreover, the last sentence (which is not operative because WI's obligation is higher than MN's) provides that payments to this state shall be deposited in the general fund.

I think that we could finesse that language by amending the 3rd sentence to remove all references to "the state receiving the payment" as follows: "The state with the larger reimbursement obligation shall pay as provided in the agreement an amount determined by subtracting the reimbursement obligation of the state with the smaller reimbursement obligation from the reimbursement obligation of the state with the larger reimbursement obligation." Then, we would conform the 4th sentence by deleting "to either state" from the phrase "any such sums due and owing to either state." Under that approach HEAB and the MN agency would have the flexibility to spell out in the agreement (subject to JCF review) how the payments would be structured.

In sum, I think we need to amend s. 39.47 (3) so that the statutes are silent about the states, especially MN, receiving payments and instead delegate those details to the agreement. Let me know what you think about this proposed approach.

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2007

Date (time)
needed _____

LRB b 1014 / 1

BUDGET SUPERAMENDMENT
[FOR ASSEMBLY SUPER]

Gmy: 10/1 bjk
Imk

See form **AMENDMENTS — COMPONENTS & ITEMS.**

ASSEMBLY AMENDMENT
TO ASSEMBLY SUBSTITUTE AMENDMENT 1
TO 2007 SENATE BILL 40

>>FOR ASSEMBLY SUPERAMENDMENT — NOT FOR INTRODUCTION<<

At the locations indicated, amend the substitute amendment as follows:

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

60 6/10/11

**SENATE AMENDMENT ,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO 2007 SENATE BILL 40**

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 482, line 10: after that line insert:

3 "SECTION 748t. 39.47 (1) of the statutes is amended to read:

4 39.47 (1) There is established, to be administered by the board, a
5 Minnesota-Wisconsin student reciprocity agreement, the purpose of which shall be
6 to ensure that neither state shall profit at the expense of the other and that the
7 determination of any amounts owed by either state under the agreement shall be
8 based on an equitable formula which reflects the educational costs incurred by the
9 2 states, reflects any differentials in usage by residents of either state of the public
10 institutions of higher education located in the other state, and reflects any
11 differentials in the resident tuition charged at comparable public institutions of
12 higher education of the 2 states. The board, representing this state, shall enter into

1 an agreement meeting the requirements of this section with the designated body
2 representing the state of Minnesota.

3 **SECTION 748v.** 39.47 (3) of the statutes is amended to read:

4 39.47 (3) Annually, each state shall determine the number of students for
5 whom nonresident tuition has been waived under the agreement. Each state shall
6 certify to the other state, in addition to the number of students so determined, the
7 aggregate amount of its reimbursement obligation. The state with the ~~smaller~~ larger
8 reimbursement obligation shall ~~receive from the other state~~ pay as provided in the
9 agreement an amount determined by subtracting the reimbursement obligation of
10 the state ~~receiving the payment~~ with the smaller reimbursement obligation from the
11 reimbursement obligation of the state ~~making the payment~~ with the larger
12 reimbursement obligation. The agreement shall provide a reasonable date for
13 payment of any such sums due and owing ~~to either state~~, after which date interest
14 may be charged on the amount owed. The methodology for determination of the
15 appropriate interest rate shall be included in the agreement. Any payments received
16 by this state under this subsection shall be deposited in the general fund.”.

17 **2.** Page 1658, line 24: after that line insert:

18 “(3x) MINNESOTA-WISCONSIN STUDENT RECIPROCITY AGREEMENT. The treatment
19 of section 39.47 (1) and (3) of the statutes first applies to reimbursement owed under
20 the Minnesota-Wisconsin student reciprocity agreement for the 2007–08 academic
21 year.”.

22 (END)



State of Wisconsin
2007 - 2008 LEGISLATURE

LRBb1014/1
GMM:bjk&lmk:nwn

LFB:.....Pope - Minnesota-Wisconsin tuition reciprocity

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2007 SENATE BILL 40

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